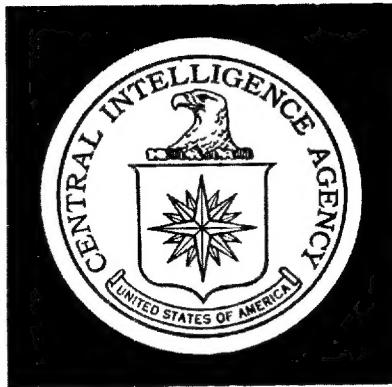


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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

GUYANA'S TROUBLED COALITION GOVERNMENT

Secret

6 November 1967

No. 1664/67

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
6 November 1967

INTELLIGENCE MEMORANDUM

Guyana's Troubled Coalition Government

Summary

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Guyana's government since five months before the country gained independence from Britain in May 1965 has been an uneasy coalition headed by Linden Forbes Sampson Burnham of the People's National Congress. The other party in the government is the small, conservative United Force headed by Peter D'Aguiar, the country's wealthiest man but one of its most [redacted] citizens. The two leaders heartily dislike each other and disagree on almost every subject. Although racial considerations are not the major problem, their relationship has been strained by D'Aguiar's tendency, as a light-skinned man of Portuguese extraction, to look down on Burnham, a Negro. The alliance has been held together primarily by the need to block pro-Communist opposition leader Cheddi Jagan and his People's Progressive Party, the largest in the country. The prospects are increasing, however, that the coalition will split before the election that must be held no later than March 1969. The split will enhance Jagan's position.

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Current Intelligence and coordinated with the Office of Economic Research, the Office of National Estimates, and the Clandestine Services.

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Pre-independence Government

1. Pro-Communist Cheddi Jagan, leader of the People's Progressive Party (PPP), is a powerful force in Guyana because he commands the unwavering loyalty of the East Indians, who make up more than half the country's population. His party was elected to office three times between 1953 and 1961 and was defeated in December 1964 in the elections held in preparation for independence. The main reason for the PPP's defeat was the introduction of a proportional representation system, under which the PPP won a plurality--46 percent of the vote--but was kept from power by the formation of the coalition of the People's National Congress (PNC), led by Linden Forbes Sampson Burnham, and the United Front (UF), headed by Peter D'Aguiar. The coalition now controls 29 of the 53 seats in the legislature.

The Coalition and its Support

2. Burnham can count on electoral support from most of the country's Negroes, who make up about 44 percent of the population, but his control over them is less certain than is Jagan's over the East Indians. D'Aguiar's support comes from conservatives of all races including Europeans, Chinese, and Guyana's dark-skinned aborigines, the Amerindians, as well as Negroes and East Indians. Roman Catholic missionaries are quite active among the Amerindians and have influenced them to vote for the UF. Together, the PNC and UP won only a slim majority in 1964, and even that margin is dwindling because of the consistently high East Indian birth rate.

3. Under these circumstances it is politic that Burnham maintain good relations with the UF. He would prefer to govern alone but, even in the remote event that he could win a clear majority in the legislature, he would be inviting racial trouble if he tried to install an all-Negro government. The UF, too weak to govern alone and too conservative to cooperate with Jagan, can hope to exercise power only in coalition with Burnham's PNC.

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4. Despite the mutual advantages of partnership, the PNC and UP work together like an ungreased machine. Burnham, who calls himself a "Scandinavian Socialist," has no financial acumen but is passionately interested in national development. He is a master politician and has little patience with D'Aguiar's almost complete lack of political sensitivity. Burnham wants to demonstrate that he can bring the good life to all of Guyana's people, something Jagan never approached in all his years as premier. Burnham hopes to convince the East Indians that their economic future lies with him and thereby ultimately to break Jagan's hold upon them. The UF, on the other hand, is basically concerned with fostering a sound currency, achieving financial stability, and holding down inflation. D'Aguiar wants "rational" development policies and has often accused the more flamboyant Burnham of "squandermania."

5. Prior to forming their government, the two leaders had been long-time competitors in Guyana's politics. The ill feeling derived from past victories and defeats has never dissipated. In addition, D'Aguiar distrusts Burnham's "dictatorial tendencies" and complains that the UF is not sufficiently consulted on government policy.

6. As a result of these antagonisms, the partnership has been on the brink of dissolution more than once. The most recent crisis ended on 25 September with D'Aguiar abandoning his post as finance minister and leaving the government. He had quarreled with Burnham over a relatively minor issue, but as the fight wore on both men came to view it as symbolic of all their past disagreements. When neither would compromise again, D'Aguiar resigned.

D'Aguiar's Attitudes

7. D'Aguiar has never enjoyed the role of a government official and much prefers that of a businessman. He stayed in the cabinet because he sincerely believed he could best serve Guyana there.

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His presence, in fact, lent the government a certain dignity and encouraged the international and local business community's confidence in the regime. Because he realized the importance of continuing the coalition, he did not urge his party to follow him out of government. Instead he announced that he was leaving for personal reasons. Another UF member was brought into the cabinet, maintaining the party's representation at three, and the coalition was preserved.

8. The bitter arguments that preceded D'Aguiar's resignation have increased tensions within the partnership. Burnham is pleased that he has been relieved of the necessity to maintain close personal contact with D'Aguiar, but the prime minister's penchant for going it alone has already antagonized the remaining UF cabinet members, and additional cabinet crises are sure to develop. Furthermore, when D'Aguiar was in the cabinet he felt a responsibility for government legislation and a loyalty to Burnham's policies. Out of the government, D'Aguiar may become more openly critical of the administration and Burnham's legislative program as well as his prestige could suffer. D'Aguiar has not abandoned his position as leader of the United Force, and as such he remains an influential national and party figure.

Prospects

9. In spite of these potential problems, the everyday affairs of the government are likely to run more smoothly than when D'Aguiar was in the cabinet. Burnham and D'Aguiar were never able to communicate effectively, and misunderstandings resulted. In future consultations on policy matters, another ranking UF member will represent the party. Fewer misunderstandings are likely to develop, and any critical problems will tend to spring from major rather than petty disagreements.

10. The most serious of these disagreements is likely to concern strategy for the elections that must take place before March 1969. Burnham is considering various schemes to improve his position on

election day. The likeliest plan involves enfranchising Guyanese living abroad. Most of these are Negroes and would probably vote PNC. Burnham is also thinking of merging Guyana with one of the Caribbean islands which has a large Negro population, and has even considered importing large numbers of Negroes into Guyana from overpopulated islands. Should none of these tactics appear adequate, the prime minister would not be above manipulating the election returns in his favor. If the UF became convinced that Burnham was going to rig the election, it would immediately pull out of the coalition.

11. Both parties will be jockeying for position, and it is extremely unlikely that they will be able to reach an agreement on how to avoid splitting the vote. Competition for the urban Georgetown vote (a traditional PNC stronghold) and the Amerindian vote (traditionally UF) will present a prime potential for trouble. Additional squabbles are likely over Burnham's desire to use government appointments as a means of rewarding political supporters and the UF's preference for a merit civil service commission that is allowed to operate completely independently. The old "development vs. financial stability" argument will continue to plague the coalition. Budget preparation time--coming up in the next few months--is likely to bring the most tension in this regard.

12. The threat of Cheddi Jagan standing in the wings will do much to keep the partnership together, and the chances are good that it will continue well into 1968. As election time approaches, however, political tension will rise, and the partners may decide to end their coalition shortly before election day and go it alone at the polls. If their coalition ends on an acrimonious note, or even if their election campaign degenerates into harsh political attacks, Burnham and D'Aguiar run the risk of antagonizing and confusing their supporters and encouraging them to boycott the election. If their total vote is reduced by even a small percentage, Jagan's chances will be improved. (See graphics)

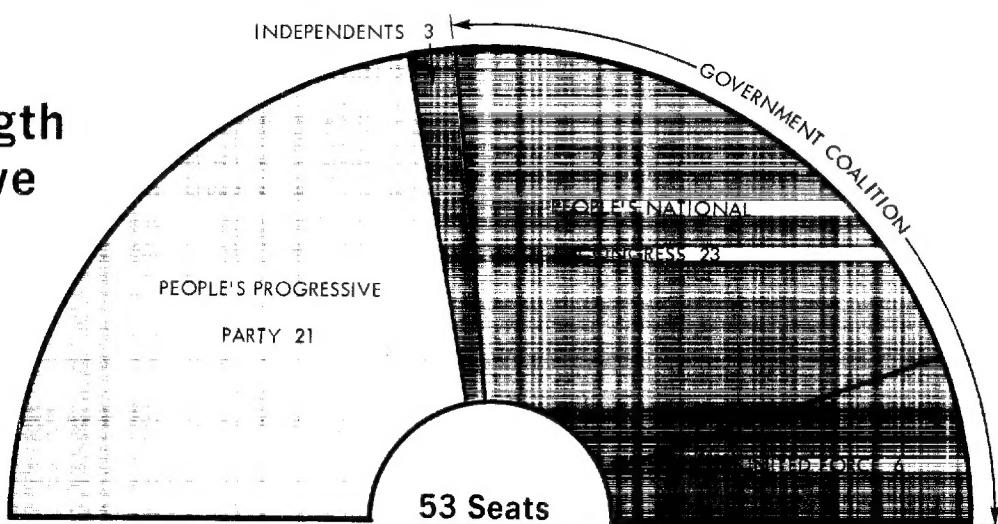


PETER D'AGUIAR

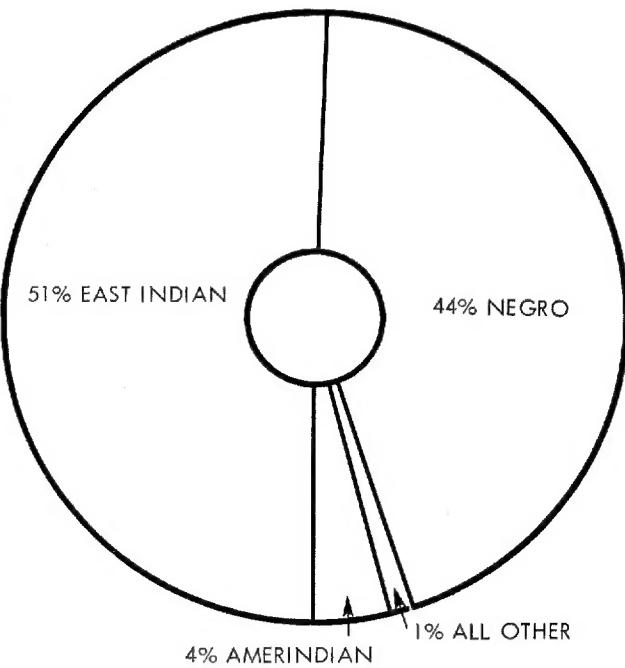


FORBES BURNHAM

Party Strength in Legislative Assembly



Ethnic Distribution of Population



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Dates: Dissem 6 Nov 1967

SUBJECT: Guyana's Troubled Coalition Government

REQUESTED OR ORIGINATED BY: C/WH Area as result of interest expressed
by DCI

PURPOSE: To provide background on the resignation of ex-finance
minister D'Aguiar and probable short-term effects on stability

ASSIGNED TO: SA/WH GRAPHICS Photos/
Charts COORDINATE OUTSIDE OCI ONE, OER, DDP

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<u>Bowdler</u>	-1	

Hand

-1

Asst Secy Covey Oliver -2BUDGET

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6 November 1967

Talking Paper for: Guyana's Troubled Coalition Government

This self-initiated memorandum describes the difficulties encountered in maintaining a coalition between a large, essentially Negro party and a small conservative multiracial one. It points out that the only alternative to maintaining the coalition would be the return to power of pro-Communist Cheddi Jagan and his Peoples Progressive Party.

This memorandum has been coordinated with ONE, DDP, and OER.

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